

474 ganization for the distribution of goods in markets and will abolish speculation among certain merchants who raise the prices spuriously by storing goods and not releasing them to the markets.¹⁷

It must be remembered that this opinion was expressed shortly after the war, when the great shortage of goods was felt everywhere.

474 In addition, a special Department of Coöperation was created as part of the Ministry of Commerce and Industry.

647 Although the government encouraged coöperation, it did not interfere with sound private initiative, particularly in later years, when the post-war conditions were more settled. In 1920 the Department of Coöperation was abolished because coöperation in Lithuania became so strong that it no longer required any special attention from the government.

474 Before Soviet occupation in 1940 most of the coöperative
651 establishments enjoyed tax exemption privileges. According to the Commerce, Industry, Credit, and Trade Profit Taxation Law,¹⁸ the following coöperative establishments were to be free from profit taxes:

1. Consumers' coöperative societies whose capital did not exceed 50,000 litas.

2. All credit and agricultural coöperative societies.

3. All kinds of coöperative unions.

4. All those coöperative societies which did business exclusively among their members, even though their capital was in excess of 50,000 litas.

Undoubtedly those exceptions placed coöperative establishments in a somewhat privileged position in the competitive field as compared with private enterprises.

¹⁷ Salcius, *op. cit.*, p. 203.

¹⁸ V.Z., Nr. 168.

AGRICULTURE

TABLE 9

474

SALES OF THE COÖPERATIVE SOCIETIES

(In Thousands of Litas)

YEAR	LIETUKIS	TRADE		TOTAL
		COÖPERATIVES	PIENOCENTRAS *	
1928	12,129	23,520	13,662	49,311
1929	29,393	52,255	25,999	108,647
1930	23,117	44,992	43,854	111,963
1931	36,743	44,950	46,102	127,795
1932	28,853	37,314	45,182	111,349
1933	32,063	37,534	36,163	105,760
1934	32,617	37,342	36,329	111,288
1935	60,530	46,427	42,438	149,395
1936	73,715	55,560	55,897	185,172
1937	72,360	65,046	65,730	205,599
1938	113,909	95,165	76,920	283,884
1939	138,911	114,285	67,745	320,941

* Reference on Pienocentras is given in Section 3 below, on production co-operative societies.

[47] the initiator of coöperative dairies and creameries, which later developed into a separate Central Union of Dairy Co-operative Societies of Lithuania, the Pienocentras.

- [64] After Soviet Russian occupation Lietukis¹ was made a government agency with all its branches and continued to function until the German invasion. The Germans in turn took control of Lietukis with all its property, and the German Economic Command (Wirtschaftskommando) issued an order on August 23, 1941, to all the branches of Lietukis, as well as to the agricultural and consumers' coöperative societies, to submit reports on fabrics and other merchandise in its possession and at the same time forbade selling any of the merchandise. It would appear that all the merchandise was confiscated by the Germans.

¹ [i.e. The Central Union of Agricultural Coöperative Societies - - Analyst]

AGRICULTURE

41

milk suppliers as against 101,348 in 1938 and 69,741 in 1934. 474

Pienocentras with all its departments continued to function throughout the Soviet Russian occupation, although it was transformed into a government agency. In June, 1941, when the Soviet Russian occupation was replaced by the German occupation, Pienocentras¹ came under the control of the German Economic Command (Wirtschaftskommando), also as government agency. In September, 1941, German Commissar for Lithuania von Renteln issued an order granting monopoly to Pienocentras in the business of dairy products and at the same time forbidding anybody to trade in milk products. Since Pienocentras has a wide organization throughout Lithuania, it is very convenient for the Germans in their control of milk production and in their efforts to extract from Lithuania a maximum of milk products. Of course no statistical data is available for Pienocentras's economic activities during the periods of German and Russian occupation. [647] ●

Deserving of mention in this group is a local grocery trade coöperative society in Kaunas called Pärama which owns and operates thirty modern grocery stores, as well as the largest and most modern bakery in Lithuania, with an annual production valued at about six million litas. Its fate under the German occupation is similar to that of Pienocentras. 474 444

4 and 5. Insurance and nonclassified coöperatives.—These two groups are of minor importance in the economic life of Lithuania. Insurance, still undeveloped there, is one of the fields open for coöperation in the future. In 1938 there were two insurance coöperative societies with 7,486 members. Insurance premiums collected in 1938 amounted to 355,495 litas, which, compared with the development of other co-

¹ [i.e. Central Union of Dairy Cooperative Societies of Lithuania --- Analyst] 452

651 individuals residing in the rural parts of the country is slightly higher, due to the lower standard of living.

745 An employees' sickness-insurance fund was created in 1928 to
466 provide for medical treatment, especially of the poorer classes. Mem-
456 bership in this organization is compulsory for all workers and em-
ployees, except farm laborers and State employees. Monthly con-
tributions, equal in amount, are made by both the employer and the
employee, according to wage classes, of which there are six. For wage
class I (daily wage, 4 lits; weekly wage, 24 lits; and monthly wage,
100 lits) the monthly payment to the sick fund is 5.40 lits. The
payments for each wage class are progressively higher, until for class
VI (daily wage, 12.01 lits and over; weekly wage, 73 lits and over; and
monthly wage, 301 lits and over) the payment to the sick fund is 21.60
lits. The maximum benefit allowed ranges from 3 lits for wage class
I to 14 lits for wage class VI.

An additional amount (10 percent of the monthly payments made
to the sick fund) is contributed in equal shares by the employer and
the employee to the Labor Chamber.

647 All State employees contribute 6 percent of their wages to a pension
456 fund. Furthermore, from 4.5 percent to 18.73 percent of the wages of
745 a married State employee are deducted for the special fund created to
balance the budget, the deduction of a single employee varying between
11.7 percent to 24.53 percent. These deductions apply to State
employees residing in Kaunas, Klaipeda, the Klaipeda Territory, and
abroad. The deductions made from wages of State employees residing
in the rural parts of the country vary from 9.5 percent to 23.73 per-
cent for married, and from 15.3 percent to 29.53 percent for single
persons. These rates became effective on April 1, 1937.

651 Tax deductions from wages amount to 10 percent; however, a
465 certain amount is exempt from taxation. In the case of a single
worker the exemption applies to all wages under 36.50 lits per week.
Ten percent of the amount exceeding 36.50 lits per week is subject to
taxation and is determined in accordance with the family status of the
worker. The result of this, in practice, is that married workers with
one child do not pay taxes.

456 Contributions for social, sickness, accident, old-age, and disability
insurance amount in all to 9 percent, $4\frac{1}{2}$ percent of which are paid by
the employer and the remaining $4\frac{1}{2}$ percent by the worker.

First Law

671 The first law on elementary education was
872 passed in 1922 making the Lithuanian primary
875 school of four grades and requiring all children
of both sexes between the ages of 7 and 13 to
attend it. The general administrative organi-
zation was based on the principle of decentrali-
zation which granted wide powers to the local
authorities and to the children's parents.
However, this experience soon showed that
under such a system the qualifications of the
teachers left much to be desired. For this
reason the law of 1922 was amended in 1925
and the appointment of teachers, their trans-
fer from one school to another, and certain
other matters were centered in the Ministry
of Education. In the same year the school
curricula were drawn up and officially ap-
proved. The schools were run under this law
up to 1936 when a new elementary school law
[186] was promulgated which declares that the pur-
pose of the elementary school is to provide
primary education for the youth of Lithuania,
foster their spiritual and physical growth, and
teach them to love, cherish, and sacrifice
themselves for Lithuania.

872 The present elementary school has six
grades. The first four, obligatory for children
between 7 and 13, form the first degree of
study. The last two, for children 14 and 15
years old, form the second degree which is
optional as yet because not enough schools
are available. The increase in them began
only in 1933. The elementary school sub-
jects of instruction are: Religion taught by
clergymen of the various denominations and
compulsory for all children, Lithuanian as
the language of instruction, arithmetic, knowl-
edge of environment, history, geography,
872 natural history, art, manual arts, music and
186 singing, and physical training. In an ele-
191 mentary school district where the number of
children of non-Lithuanian parentage exceeds

III. SOIL IMPROVEMENT AND AGRICULTURAL PROGRESS

641 The Ministry of Agriculture controls the organisation for
242 the encouragement of technical progress in agriculture, the aim
433 of which is to improve the conditions of existence of the
agrarian reform and agricultural improvements, schools of
agriculture, the organisation and improvement of veterinary
work and supervision of the export of agricultural produce, etc.

In addition to the Ministry, the Chamber of Agriculture
(founded in 1927) is also active in agricultural development.
It is in charge of all the forms of agricultural training not under
the authority of the Ministry, including the agricultural
intelligence service; it supervises and co-ordinates the activities
of the stock-breeders' associations, the flax-growers' association,
the sugar-beet-growers' association and other similar organisa-
tions; it also subsidises various agricultural organisations and
individual agriculturists with a view to the promotion or
improvement of some particular branch of agriculture, and
organises agricultural shows, etc.

474 Working in conjunction with the Ministry of Agriculture
242 are various central organisations concerned with the processing
433 of agricultural produce, and its marketing abroad and at home,
and with supplying to agriculturists all such goods as they may
require. These organisations are: "Lietuvos Žemės Ūkio
Kooperatyvų Sąjunga" ("Lithuanian Union of Agricultural
Co-operative Societies"), abbreviated to "Lietūkis"; "Centra-
linė Lietuvos Pieno Perdirbimo Bendrovių Sąjunga" ("Lithu-
anian Central Union of Dairymen's Co-operative Societies"),
abbreviated to "Pienocentras", and the "Maistas" and
"Lietuvos Cukrus" joint-stock companies.

The chief measures taken with a view to the improvement of
agricultural production are the consolidation of holdings (see
above), land drainage, the development of agricultural training
(see under V) and agricultural research.

312 Systematic work on the drainage of agricultural land could
not be begun until 1921. The Ministry of Agriculture is
proceeding with the regularisation of the beds of streams and
the cutting of dykes which enable agriculturists to drain water-
logged land completely by means of open ditches or drainage
pipes. The total area of the land drained by means of dykes
from 1921 to 1937 (inclusive) is approximately 416,000 hectares,
or more than 10% of all the land used for agricultural purposes.

LABOR CONDITIONS IN THE BALTIC STATES

ooo MORE strict control of workers is indicated by laws recently enacted in Latvia and Lithuania.

*Forced Labor Service in Latvia*¹

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[462] The Latvian Government issued a law on May 31, 1940 providing for forced labor service in Latvia. All able-bodied citizens of both sexes from 16 to 60 years of age must participate "with all their bodily and intellectual abilities" in raising and promoting the defensive and economic strength of the State when called upon by the latter for any service.

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466 On June 7, 1940, a supplementary law was enacted providing that in the future all applicants for vacancies at public offices must prove that they have worked in agriculture for not less than 3 months within the preceding 3 years. Furthermore, all persons who have entered public service within the last 5 years and who, by October 1, 1941, are unable to show at least 3 months' work in agriculture are to be dismissed from service.

*Registry of Skilled Workers in Lithuania*²

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464 A law was passed on June 1, 1940, providing for registration of the skilled workers in Lithuania employed by shops and factories and those working independently, either as master craftsmen or craftsmen's helpers. All are to be required to pass an examination on their knowledge of and skill in their respective trades.

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466 There is to be appointed a Craftsmen's Registrar who will supervise individual craftsmen and workshops. Under penalty of a fine up to 500 lits,³ these must supply the Registrar with information required

¹ Report of E. Walter Washington, American consul at Riga.

² Report of Basil F. Macgowan, American vice consul at Kaunas.

³ Lit—about 17 cents.

592

Monthly Labor Review—September 1940

[563]
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under the law. To protect old craftsmen of minority nationalities who might find it difficult to pass the required examinations, especially in the Lithuanian language, the Registrar may permit persons with good qualifications, who have engaged in their craft for more than 5 years, to continue their work if there is a labor shortage in their respective trades. Such persons are to be included in a special list filed in the Registrar's office, and they will retain their titles if they continue their work during an additional 10 years to the satisfaction of the Registrar.

The law applies to approximately 23,000 skilled workers in Lithuania.
